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*Attorneys for the Ad Hoc Committee*

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

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In re:	: Chapter 11
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PURDUE PHARMA L.P., <i>et al.</i> ,	: Case No. 19-23649 (RDD)
	:
Debtors. <sup>1</sup>	: (Jointly Administered)
	:
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**AD HOC COMMITTEE'S STATEMENT AND RESERVATION OF RIGHTS IN  
RESPONSE TO DEBTORS' MOTION FOR ENTRY OF AN ORDER (I)  
ESTABLISHING DEADLINES FOR FILING PROOFS OF CLAIM AND  
PROCEDURES RELATING THERETO, (II) APPROVING THE PROOF OF CLAIM  
FORMS, AND (III) APPROVING THE FORM AND MANNER OF NOTICE THEREOF**

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<sup>1</sup> The Debtors in these cases, along with the last four digits of each Debtor's registration number in the applicable jurisdiction, are as follows: Purdue Pharma L.P. (7484), Purdue Pharma Inc. (7486), Purdue Transdermal Technologies L.P. (1868), Purdue Pharma Manufacturing L.P. (3821), Purdue Pharmaceuticals L.P. (0034), Imbrium Therapeutics L.P. (8810), Adlon Therapeutics L.P. (6745), Greenfield BioVentures L.P. (6150), Seven Seas Hill Corp. (4591), Ophir Green Corp. (4594), Purdue Pharma of Puerto Rico (3925), Avrio Health L.P. (4140), Purdue Pharmaceutical Products L.P. (3902), Purdue Neuroscience Company (4712), Nayatt Cove Lifescience Inc. (7805), Button Land L.P. (7502), Rhodes Associates L.P. (N/A), Paul Land Inc. (7425), Quidnick Land L.P. (7584), Rhodes Pharmaceuticals L.P. (6166), Rhodes Technologies (7143), UDF LP (0495), SVC Pharma LP (5717) and SVC Pharma Inc. (4014). The Debtors' corporate headquarters is located at One Stamford Forum, 201 Tresser Boulevard, Stamford, CT 06901.

The ad hoc committee of governmental and other contingent litigation claimants (the “**Ad Hoc Committee**”), which consists of (i) ten States, (ii) the court-appointed Plaintiffs’ Executive Committee (the “**PEC**”) in the multi-district litigation captioned *In re National Prescription Opiate Litigation*, Case No. 17-md-02804, MDL No. 2804 (N.D. Ohio) (the “**MDL**”), (iii) six counties, cities, parishes or municipalities, and (iv) one federally recognized American Indian Tribe,<sup>2</sup> hereby submits this statement and reservation of rights in response to the motion (the “**Bar Date Motion**”) [Dkt. No. 717] of Purdue Pharma L.P. and its affiliated debtors (collectively, “**Purdue**” or the “**Debtors**”) seeking, inter alia, to impose a deadline for filing proofs of claim and approving proof of claim forms.

### **STATEMENT**

1. The Ad Hoc Committee has worked closely with the Debtors, the Creditors’ Committee, the Non-Consenting States, and other parties over the past two months in seeking to shape an appropriate bar date, notice, and proof of claim process in these cases. From the Ad Hoc Committee’s perspective, it is essential that the bar date, notice, and proof of claims process recognize and respect the unique nature of these cases, including the fact that the Debtors have already agreed to make all of their assets available to their creditors; that the assets are most likely to be allocated and distributed under the auspices of a post-confirmation trust or other similar entity; that the Debtors’ creditors comprise (among others) tens of thousands of governmental entities, including States, Territories, counties, cities, parishes, municipalities, and tribal governments; that the overwhelming majority of claims against the Debtors are contingent and unliquidated litigation claims; and that the members of the Ad Hoc Committee, as well as many

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<sup>2</sup> The members of the Ad Hoc Committee are set forth in the statement filed at Dkt. No. 279 (the “**AHC 2019**”).

other critical stakeholders, support the Debtors' proposed settlement structure, which contemplates entry into a restructuring term sheet well in advance of the Debtors' proposed bar date.

2. In view of the foregoing facts, the Ad Hoc Committee was skeptical that a traditional bar date process was needed in these cases. Nevertheless, the Ad Hoc Committee has worked constructively with the Debtors (and the various other creditor groups) to improve upon, rather than undermine, the Debtors' preferred approach, negotiating changes designed, among other things, to extend the bar date, minimize the burden on governmental entities, protect confidentiality of documents produced in underlying litigation, and refine the proposed notice techniques to ensure that no governmental entities are inadvertently shut out of the proposed claims process. The Ad Hoc Committee also has preserved the ability to file aggregate proofs of claim on behalf of States, Territories, counties, cities, parishes, municipalities, and tribal governments, to the extent such creditors provide requisite authority to file—an option that the Ad Hoc Committee believes is eminently appropriate here, where there is no real dispute over the existence of such claims.<sup>3</sup>

3. The Ad Hoc Committee appreciates the arguments advanced by the Debtors as to the potential value of a bar date (including its conceivable relevance to the estimation of claims, should such estimation ever become necessary). However, the Ad Hoc Committee submits that a negotiated allocation is the best way to address the competing claims in these cases, and is hopeful that an agreed allocation will be reached in the coming months, before the bar date, potentially substantially reducing the need for reliance on filed proofs of claim. In the meantime, the Ad Hoc

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<sup>3</sup> For the avoidance of doubt, the revised proposed order will provide that consolidated claims "shall have the same effect as if each Member or Consenting Claimant of the applicable Ad Hoc Group or Ad Hoc Committee had individually filed its own proof of claim," making clear that the filing of aggregate proofs of claim does not impact any creditor's substantive rights with respect to its claim, including, for example, the right to vote its own individual claim.

Committee will continue to work constructively with the Debtors and other parties to ensure that the notice and proof of claim process, once embarked upon, is successful, and that the rights and interests of States, Territories, counties, cities, parishes, municipalities, and tribal governments are protected. In light of these ongoing efforts, the Ad Hoc Committee reserves its right to seek improvements to the Bar Date Order, and to request further relief from this Court, as necessary, with respect to the notice process.

Dated: January 22, 2020

Respectfully submitted,

/s/ Kenneth H. Eckstein

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